

CALIFORNIA EXPOSITION & STATE FAIR

Minutes of the Board of Directors Regular Meeting

Held Pursuant to Due Notice
Friday, February 25, 2011

California Exposition & State Fair
Administration Building Boardroom
1600 Exposition Boulevard
Sacramento, CA 95815

Directors Present

Director Corny Gallagher, Chair
Director Rick Stacey, Vice Chair
Director Steve Beneto
Director Cynthia Bryant
Director Sonney Chong
Director Richard Engel
Director Kathy Nakase
Director Amparo Pérez-Cook

Directors Absent

Director Richard Cuneo
Director Rex Hime
Director Marko Mlikotin

Ex Officio Members Absent

Assembly Member Roger Dickinson
Senator Darrell Steinberg

Staff Present

Norbert J. Bartosik, General Manager/CEO (GM)
Brian A. May, Deputy General Manager (DGM)
David Elliott, Assistant General Manager, Racing (AGM)
Amy Coleman-Casias, Assistant General Manager, Special Projects (AGM)
Dana McIlwain, Assistant General Manager, Chief Financial Officer (AGM)
Robert Craft, Chief of Police
Marcia Shell, Admissions, Parking & RV Park Manager
Susan Vellutini, Human Resources Manager
Jan Risso, Contracts Manager
Joan Evans, Interim Marketing Manager (IMM)
Greg Kinder, Exhibits Supervisor
Sandi Hurtgen, Entry Office Supervisor
Paul Gillingham, Entertainment Coordinator
Mark Dannewitz, Maintenance Operations Manager
Chris Bokeko, Production Unit Supervisor
Jeff Hollingsworth, Maintenance Operations
Pamela Fyock, Commercial/Concessions Support
Randy Brink, Cal Expo Volunteer
Linda Contreras, Recording Secretary

Others Present*

Meg Stagota, Senate Rules Committee Staff

Ken Allred, Gerry Kamilos LLC

Jane Einhorn, Runyon Saltzman & Einhorn

Courtney Pasqual, Runyon Saltzman & Einhorn

Cristin Wagoner, Runyon Saltzman & Einhorn

Alan Horowitz, California Harness Horsemen Association

Mona Foster, Cultural Advisory Council

Rosemary Jones, Cultural Advisory Council

Harry Moos, Friends of the Fair

*May not include all others present in the room or arriving late.

1. CALL TO ORDER

The meeting was called to order by Chair Gallagher at 12:35 p.m.

Chair Gallagher read the Mission Statement and the Policy Statement.

2. PLEDGE OF ALLEGIANCE

Chair Gallagher asked Cal Expo Volunteer, Randy Brink, to lead the Board, Staff and Guests in the Pledge of Allegiance.

3. ROLL CALL AND DIRECTORS ABSENT

Roll call was taken by GM Bartosik and a quorum was present. Directors Cuneo, Hime and Mlikotin were not present and had asked to be excused.

Motion:

It was moved by Vice Chair Stacey and seconded by Director Chong to excuse the absences of Directors Cuneo, Hime and Mlikotin. **All in favor, motion carried.**

Chair Gallagher commented and thanked Director Hime for all his leadership and events he attends as a representative of the State Fair. Director Hime was attending a UC Regents Meeting.

4. INTRODUCTION OF GUESTS & STAFF

Introduction of Guests and Staff were made around the room.

Chair Gallagher asked for a moment of silence on behalf of Richard Novoa, Member of the Cultural Advisory Council who passed away this month.

5. PRESENTATIONS

- a. Presentation by the Board Chair to Jeff Hollingsworth on Recognition of his Retirement from Cal Expo

Chair Gallagher thanked and presented Jeff Hollingsworth with a Golden Bear for his years of service with Cal Expo.

Mr. Hollingsworth thanked the Board for the presentation of the Golden Bear.

Runyon Saltzman & Einhorn presented the 2011 State Fair ad campaign, "The Fun Just Got Bigger".

Director Nakase suggested that the word "Fun" should be in an UPPERCASE type font.

Director Beneto said he prefers live shots of the Fair scenes in the TV spot. Jane Einhorn said promoting what's new is important.

6. MINUTES OF MEETING

- a. Board of Directors Committees and Meeting Minutes of January 28, 2011
- b. Agricultural Advisory Council Animal Care & Livestock Committee Meeting Minutes of August 23, 2010

Motion:

It was moved by Director Engel and seconded by Vice Chair Stacey to approve the minutes of January 28, 2011 including an amendment to the Horse Racing Committee minutes, page 2, third paragraph, is amended to read, Director Stacey asked for a report at a future meeting on a long range solution to the horse racing issue. and the Agricultural Advisory Council Animal Care & Livestock Committee minutes of August 23, 2010 as mailed. **All in favor, motion carried.**

7. COMMITTEE AND STAFF REPORTS

- a. State Fair, Agriculture & Marketing Committee Reports – Director Engel

Director Engel summarized the Staff report. Director Engel asked for the Board's help in getting all counties to participate in the Counties Exhibit Program along with supporting the Sale of Champions and the State Fair Gala.

An Updated 2011 Gala Sponsorship packet and a 2011 State Fair Calendar were distributed to the Board. Copies for review are on file.

IMM Evans summarized her Staff reports. IMM Evans distributed a 2011 Sponsorship Revenue Tracking Report to the Board. A copy for review is on file.

IMM Evans reported July 29 will be Wine Day at the State Fair sponsored by Save Mart.

- b. Horse Racing Committee Reports – Director Beneto

Director Beneto reviewed the Staff reports included in the Board packet.

AGM Elliott distributed and reviewed the Cal Expo Harness Racing Overpayment Reconciliation (unaudited). A copy is attached and made part of the record.

- c. Operations & Planning Committee Reports – Director Cuneo

DGM May reviewed the Staff report included in the Board packet under Unfinished Business from Andy Plescia on the Cal Expo Renewal Project. A status report will be presented at the April Board meeting by Mr. Plescia.

d. Executive Committee Report – Chair Gallagher

Chair Gallagher reported on Legislative Consultant, Norm Towne's report on legislation, a copy is attached and made part of the record.

AB 1204 (Dickinson) was reviewed by the Board. This bill could be further amended to address the Board's legislative goals.

The proposed \$32 million funding cut for Fairs is still in the Governor's Budget with concurrence by both the Assembly and Senate Committees. Fairs are trying to get some of the funding restored.

Chair Gallagher reported that Staff has been asked to move toward on more enterprise accounting which reflects the revenues and expenses of each program.

Director Engel pointed out that AB 1204 omitted experience in agriculture as criteria for serving on the Board. Legislative Consultant, Norm Towne will be notified.

e. Legislative Committee Report – Director Hime

The Committee did not meet this month.

8. FINANCIAL REPORTS

- a. Monthly Financial Statements for December 2010
- b. Accounts Receivable Reports
- c. 2010 Budget Recap
- d. Contract/Purchases Requiring Board Notification
- e. Increase in Allowance for Doubtful Accounts and Write-Off for Accounts Under \$500
- f. Capital Project Projection Report
- g. 2011 Budget Update

Vice Chair Stacey reviewed the Staff reports included in the Board packet.

Copies of a 2010 Year in Review Report and an Analysis and Forecast Cash Flow Report for 2010-2011 were distributed to the Board. Copies are attached and made part of the record.

Vice Chair Stacey reported on a correction to FA 8 for Lee Greenwood; the amount should be \$22,500.

Motion:

It was moved by Director Engel and seconded by Director Chong to approve the monthly financial reports for December 2010. **All in favor, motion carried.**

9. CONSENT CALENDAR

- a. Review for Approval Staff Recommendation of the Amendment to the Bank of the West Line of Credit Agreement

Motion:

It was moved by Vice Chair Stacey and seconded by Director Pérez-Lemus to approve the Amendment to the Bank of the West Line of Credit Agreement. **All in favor, motion carried.**

10. CORRESPONDENCE

11. UNFINISHED BUSINESS

- a. Review Update from Consultant, Andy Plescia on Cal Expo Renewal Project

This was discussed during the Operations & Planning Committee Staff Report.

12. NEW BUSINESS

- a. Review Cal Expo Renewal Project Goals Requested by Director Mlikotin

The Goals were reviewed by the Board.

Director Bryant suggested that the Goals may be premature until the Plescia report is presented and accepted by the Board. The Board agreed to revisit the Goals when the Plescia report is finalized.

- b. Review for Approval Changes to the Board of Director's Policy & Procedures Manual Section 3, Article II – Meetings 3.2.4 and 3.2.5 and Proposed Bi-Monthly Meeting Schedule for 2011

There were 2 goals associated with this agenda item. The primary goal was to reduce the monthly financial reporting which resulted in a discussion of how many Board meetings need to be held on an annual basis. The goal is to reduce Staff time in preparing for Board meetings. Reducing Board travel and expense is a secondary benefit.

Director Bryant said there is a balancing act protecting the public and the use of Staff resources. Director Bryant said she could support bi-monthly meetings as a minimum.

AGM McIlwain said fewer meetings allow Staff to become more efficient.

Motion:

It was moved by Director Engel and seconded by Director Pérez-Lemus to amend and modify Changes to the Board of Director's Policy & Procedures Manual Section 3, Article II – Meetings 3.2.4 and 3.2.5 and Proposed Bi-Monthly Meeting Schedule for 2011 to meet the needs of the State Fair and quarterly financial reporting. Staff will report back on the Board Meeting schedule for the remainder of 2011. **In favor: Directors Gallagher, Stacey, Bryant, Chong, Engle, Nakase and Pérez-Lemus. Oppose: Director Beneto. Motion carries.**

13. MATTERS OF INFORMATION

a. Public Comments

b. Directors' Comments

Director Engel asked everyone to participate and attend the State Fair Gala.

Director Nakase asked everyone to consider becoming an organ donor in honor of Richard Novoa.

Chair Gallagher commented on Ag Vision and the Global demand for food.

c. Manager's Comments

d. Next Board Meeting – **Friday, March 25, 2011 or Friday, April 29, 2011***
(Pending a new meeting calendar by Staff)

Staff will determine the next meeting date and inform the Board.

GM Bartosik said Board meetings normally finish between 2:00pm – 3:00pm.

e. Other, if any

Randy Brink provided his report.

14. ADJOURNMENT

Motion:

It was moved by Director Nakase and seconded by Director Pérez-Lemus to adjourn the Board of Directors meeting. **All in favor, motion carried.**

The Board of Directors meeting was adjourned at 2:39 p.m.

Cal Expo Harness Racing overpayment reconciliation (unaudited)

After a thorough review by Dana McIlwain and Donna Newman, the following reconciliation and update of the Cal Expo harness racing purse pool overpayment is provided:

December 18, 2010- Overpayment	\$531,479
Funding of Overpayment-	
Overpayment Reduction (Generated vs. Paid) 12/26-2/20/11	\$ 67,654
Cal Expo 2010-2011 contribution-	\$175,000
Scotwinc Reimbursement of Excess Funds- 2010	\$ 73,000
Estimated AB 480 Refund- (\$6,024 in 2010)	\$ 7,000
Estimated Outs Refunds- Uncashed tickets (\$39,592 in 2010)	\$ 30,000
CHHA Outstanding funds for Late Closer Series-	\$ 15,800
Estimated 2011 Break Period 8/16 monies- (\$152,781 in 2010)	\$125,000
Additional CHHA purse funds owed to purse pool-	<u>\$ 36,004</u>
<u>Sub Total of Funds for Overpayment-</u>	<u>\$529,458</u>
<u>Overpayment- 12/18/2010</u>	<u>\$531,479</u>
<u>(Over)/Underpayment -</u>	<u>\$ (2,021)</u>

California Exposition & State Fair 2010 Year in Review

Business as usual was not the theme of 2010. As the economy continued to present challenges to Cal Expo in the form of decreasing revenues in racing and interim events, the staff knuckled down for the long haul. Staff put out extra effort to do more with less funds and fewer personnel, partnerships were formed to explore new ways to generate revenue and keep promoters coming back, and the agency's culture changed. The overriding hallmark of 2010 was the willingness to do what it took to meet and manage a struggling economy magnified by regional uncertainty over the State budget, which would impact our primary source of event-goers. And on top of all that, we changed the historical Fair dates—no small undertaking.

The facts

- The year finished with an operating loss before depreciation and capital expenditures of \$551,570 and YTD net loss against budget variance of \$1,574,307.
- Bottom bottom line: a loss of \$3,202,711 after depreciation.
 - Revenues were down 5% from budget, or \$1,405,374.
 - The decrease was primarily due to a revenue shortfall in harness racing of \$1,544,812, with a slight uptick in revenues for Fairs & Expos/Grants of \$300,244.
- Looking at 2009–2010 actual comparison, there was an overall decrease of \$1,894,089 in this year's revenue.
 - Approximately 50% of this decrease—totalling \$950,000—occurred in harness racing and simulcast wagering.
 - The remainder was made up of the State Fair—down \$236,000; Expo events—down \$200,000; and Fairs & Expos—down \$150,000.

Additional smaller losses were spread across the various event areas, with an unanticipated \$150,000 loss in Electronic Sign revenue due to termination of a contract. The wariness and uncertainty over the overall economy as well as State budget issues were felt to be the culprits.

Expenses held fairly steady between 2009 and 2010, with an increase in 2010 of \$147,000. The increase was spread throughout the expense classifications. In relation to the 2010 budget, actual expenses had an overbudget variance of \$168,933.

It's noteworthy that net of personal service costs, the staff met the challenge by coming in under budget by \$925,420 for operational expenses. The single largest hit to 2010 expenses was an increase in Other Post Employee Benefits (OPEB) liability of \$900,000, a cost out of Cal Expo's control.

The dinosaurs arrived

... along with 742,352 people, a new giant slide, and the promise of bumper cars in the future. The State Fair made a material adjustment this year in changing the Fair dates, moving the 19-day event earlier in the year to bypass conflicts with fall school schedules. This was a successful change exemplified by attendance increasing 10% over 2009 and beating the 2010 forecast of a 7.5% increase. However, a decrease in Cal Expo's commission percentage of food sales and the loss of race wagering on the Labor Day weekend that was a feature of past Fairs diluted the gain in attendance, and the Fair wound up about even with the budgeted revenue forecast.

As far as interim events go, revenues per event were up and down. Those events—such as Home & Landscape—that mirrored the “do-it-yourself and save money” trend enjoyed increased attendance. One of our larger events—Sport Boat and RV—pulled out due to a surplus of good, well-priced, used inventory of these vehicles in the market. However, we picked up what should be an annual growth event called Naughty Gras, a Mardi Gras-themed Ball promoted by CBS—it was a huge success this year.

We also partnered with various vendors, including Ovations (food and beverage) and CBS (advertising), to step outside the box and put on three of our own events.

- Octobeer Fest
- Don Geronimo
- Taste of Home

Even though these events didn't meet our hopes, they opened the door to continue looking for new and innovative ways to generate revenue and provided us with an education on how to run our own events. The Flower and Garden show was another new “do-it-yourself” event that was very successful and will be back in 2011. San Francisco has closed its popular Flower and Garden show—which we hope will have a positive effect on our attendance in the coming years.

Old standbys like the Horse Expo continue to do well. One event that was unique to 2010 and deserves a prominent spot in this year's lineup was NACA, the Neighbor Assistance Corporation of America event, where for 5 days, 24 hours a day, hordes of mortgage and banking representatives worked to assist over 9,500 people in finding solutions to their mortgage problems and staving off potential loss of their homes.

More facts

- Annual admissions for all interim events was 489,403—basically no change from 2009.
- Rents and parking revenues were down 7.5% and 0.82%, respectively, for a total of \$115,000.
- Exhibitor parking and food and beverage were up 2.32% and 4.65%, respectively, for a total of \$21,000.
- Racing continues to struggle against the national downturn in all venues and with all breeds.
- Harness revenue was down 15% from 2009 (\$5,846,384 to \$5,007,188) and ended up with a budget shortfall of \$1,544,812.

- Simulcast fared better against budget, with revenues at \$1,099,504, an overbudget variance of \$13,000. In comparison to 2009 actuals, it was down 9% to \$1,099,504.
- Budgeted revenues for 2011 have been reduced by 13% and 10% for harness and simulcast, respectively, based on an average daily commission in 2010 and a decrease in racing days from 134 in 2010 to 129 in 2011.

Permanent staff levels stayed steady as everyone rose to meet the challenges of a pared down budget. Executive staff worked to manage the mandated furlough program so no staff salaries were negatively affected. The staff maintained their high level of dedication and loyalty to the organization.

The bigger picture

2009 was a wake-up call. The economy was tanking and discretionary income was shrinking or being hoarded.

- Racing was no longer able to support other programs and events.
- Cal Expo needed to make a cultural change to survive and that is exactly what the agency did.
- No program in 2010 was exempt from scrutiny. What was the ROI? Was there a better way to do what we have been doing?
- Quality vs. quantity. Can we achieve the same results with less?
- The dreaded “Decision Tree” developed during this learning period will be the guide in weighing the merits of all programs, old and new, for the future, resulting in the go–no go decision.

The Sacramento Convergence Proposal came to an end in 2010 with the Board voting down any further action. The Cal Expo Renewal Program is now in full swing, with a feasibility study well on its way, including a “fatal flaw” analysis of development of the east and west areas of the grounds—the parking lot on the west and the race track on the east. The preliminary report is slated to be ready in March 2011 with the final following in April.

The State budget issues and solutions will have unknown but definite impacts on all fairs in California. The trickle-down effect will most likely influence attendance at the Fair and other interim events. The 2011 budget reflects this concern with additional cuts to spending and a conservative forecast of revenues.

The executive staff is continuing to work diligently on obtaining legislative operational flexibility for the agency based on the goals adopted by the Board in July 2010. This flexibility should promote increased administrative efficiencies and cost management.

California Exposition and State Fair
 Analysis and Forecast of Cash Flow for 2010 and 2011
 (A=actual, F=forecasted)

Year/Month		Receipts	Disbursements	Cash Balance
2010		Beginning balance 1/1/2010		\$ 2,695,553
January	A	\$ 1,623,230	\$ 2,584,404	1,734,379
February	A	2,236,858	2,280,276	1,690,961
March	A	3,022,166	2,631,649	2,081,478
April	A	1,597,673	2,194,419	1,484,732
May	A	3,057,672	2,356,024	2,186,380
June	A	3,295,263	2,867,581	2,614,062
July	A	8,897,385	4,512,990	6,998,457
August	A	3,475,058	4,727,476	5,746,039
September	A	651,642	2,928,055	3,469,626
October	A	1,803,782	1,679,686	3,593,722
November	A	2,296,380	2,486,060	3,404,042
December	A	1,768,198	2,888,331	2,283,909
TOTALS		\$ 33,725,307	\$ 34,136,951	
2011		Beginning balance 1/1/2011		\$ 2,283,909
January	A	\$ 2,463,221	\$ 2,717,092	2,030,038
February	F	2,155,108	2,598,140	1,587,006
March	F	2,940,416	2,349,429	2,177,993
April	F	1,515,923	2,176,419	1,517,497
May	F	2,975,922	2,338,024	2,155,395
June	F	3,213,513	2,849,581	2,519,327
July				
August				
September				
October				
November				
December				
TOTALS		\$ 15,264,103	\$ 15,028,685	

Assumptions:

Receipts

Events will closely follow Q1 and Q2 of 2010. The impact of changes from 2010 to 2011 is negligible: Q1 (\$17,390) and Q2 \$30,000.

Harness racing and simulcast wagering is forecast to be down 24% collectively. Receipts have been reduced by \$81,750 per month.

Disbursements

Payroll costs adjusted for increase in health benefit premiums and PERS %, and decreased by 4.62% due to the state budget cut.

Payroll costs also reflect a \$40,000/month reduction in temporary help costs.

Accounts payable decreased \$90,000/month to reflect a decrease in capital outlay in relation to corresponding quarters in 2010.

CALIFORNIA EXPOSITION & STATE FAIR

Executive Committee Meeting Minutes
Friday, February 25, 2011
11:30 a.m.

MINUTES

Committee Members Present:

Corny Gallagher, Chair
Director Rick Stacey
Director Amparo Pérez-Lemus

Committee Members Absent:

Director Richard Cuneo

Staff Present:

General Manager/CEO (GM)	Norb Bartosik
Deputy General Manager (DGM)	Brian May
Assistant General Manager, Chief Financial Officer (AGM)	Dana McIlwain
Cal Expo Volunteer	Randy Brink
Recording Secretary	Linda Contreras

Others Present:

Legislative Consultant	Norm Towne
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Director Gallagher called the meeting to order at 11:50 a.m. and dispensed with reading the Mission Statement and Public Comments Statement. Chair Cuneo was not present and had asked to be excused.

MATTERS OF INFORMATION

1. Staff Reports
 - a. Legislative Update

Legislative Consultant Norm Towne distributed and reviewed a Legislative Report – 2011-2012 Bills of Interest. A copy is attached and made part of the record.

AB 1204 may be expanded to accomplish the Board's Legislative goals adopted last July.

The proposed \$32 million funding cut for Fairs is still in the Governor's Budget with concurrence by both the Assembly and Senate Committees. Fairs are trying to get some of the funding restored.

NEW BUSINESS

1. Review for Approval Changes to the Board of Director's Policy & Procedures Manual Section 3, Article II – Meetings 3.2.4 and 3.2.5 and, Proposed Bi-Monthly Meeting Schedule for 2011

The Committee deferred discussion and recommendation to the full Board meeting.

ADJOURNMENT

The Executive Committee meeting adjourned at 12:25 p.m.

California Exposition and State Fair
Legislative Report – 2011-2012 Bills of Interest

2/25/2011

AB 35(Solorio) State property: Orange County Fair: sale.

Introduced: 12/06/2010

Last Amend:

Status: 01/24/2011-Referred to Com. on B. & P.

Location: 01/24/2011-A B. & P.

Summary: Existing law creates State Agricultural District 32a, which consists of all of the real property that is commonly known as the Orange County Fair, and authorizes the Department of General Services to sell all or a portion of the real property that comprises it pursuant to a public bidding process, as specified. Existing law requires the Director of General Services to report specified information to the chairs of the fiscal committees of the Legislature 30 days prior to executing a transaction for the sale of the real property. This bill would require the Director of General Services, prior to sale, to obtain an independent appraisal of the fair market value of the real property of District 32a, using specified approaches. The bill would require that the real property be sold at the minimum fair market value, which must be consistent with the independent appraisal, as specified. The bill would provide that if a proposed sale of the property requires legislative approval of the sale, the Legislature shall express that approval by statute. The bill would add information to that which the Director of General Services is required to report to the chairs of the fiscal committees of the Legislature, and would revise the time within which that information is to be provided. This bill contains other related provisions.

Position: Monitor – **The proposed sale of the OCF is on hold waiting for a pending decision by the 4th District Court of Appeal. Facilities Management West was the winning bidder to acquire the property for \$100 million. The sale was challenged in court and the Superior Court rejected the challenge, allowing the sale to go forward. A group opposed to the sale appealed.**

AB 241(Hall) Gambling: moratorium.

Introduced: 02/03/2011

Last Amend:

Status: 02/18/2011-Referred to Com. on G.O.

Location: 02/18/2011-A G.O.

Summary: Existing law regulates legal gambling in California and prohibits, until January 1, 2015, the governing body and the electors of a county, city, or city and county from authorizing or expanding any legal gaming beyond that permitted on January 1, 1996. Additionally, the commission is prohibited, until January 1, 2015, from issuing a gambling license for a gambling establishment

that was not licensed to operate on December 31, 1999, except as specified. This bill would extend the operation of these provisions to January 1, 2020.

Position: Monitor

AB 266(Ammiano) State government: sports authority.

Introduced: 02/07/2011

Last Amend:

Status: 02/08/2011-From printer. May be heard in committee March 10.

Location: 02/07/2011-A PRINT

Summary: Existing law exempts from the requirements of the California Environmental Quality Act and specified local planning requirements the development, planning, design, site acquisition, subdivision, financing, leasing, construction, operation, or maintenance of a specified stadium complex and associated development, and infrastructure improvements associated with that stadium complex and associated development. This bill would set forth the findings and declarations of the Legislature with respect to obtaining and retaining professional sports teams within the state, and state the intent of the Legislature to enact legislation that will create a Statewide Sports Authority for the purposes of eliminating intrastate conflicts in the procurement of sports teams, coordinating efforts to procure and retain professional sports teams within the state, and helping to finance sports arenas within the state.

Position: Monitor - **Information**

AB 270(Perea) Satellite wagering.

Introduced: 02/07/2011

Last Amend:

Status: 02/18/2011-Referred to Com. on G.O.

Location: 02/18/2011-A G.O.

Summary: Existing law requires that every person who participates in, or has anything to do with, the racing of horses and every employee of a parimutuel department to be licensed by the California Horse Racing Board. Existing law requires the board to set forth requirements for the position of satellite facility supervisor for all satellite wagering facilities operated by the state or on public land. The supervisor is required to monitor the performance of licensees at the facilities. This bill would create an exception from that provision by authorizing a satellite facility to elect not to be subject to the requirements related to a satellite facility supervisor if the board of directors of the satellite facility, after a public hearing, deems those requirements to be not economically feasible.

Position: Monitor – **This bill is sponsored by CARF. Smaller satellite wagering facilities are experiencing financial difficulties operating under the current CHRB regulations requiring the position of satellite supervisor.**

AB 280(Silva) Parimutuel tickets: alterations and counterfeiting.

Introduced: 02/08/2011

Last Amend:

Status: 02/09/2011-From printer. May be heard in committee March 11.

Location: 02/08/2011-A PRINT

Summary: Under existing law, the California Horse Racing Board is responsible for adopting rules and regulations for the protection of the public and the control of horse racing and parimutuel wagering, as well as enforcing all laws, rules, and regulations dealing with horse racing and parimutuel wagering. Existing law prohibits any person from altering or counterfeiting, or attempting to alter or counterfeit, any parimutuel ticket. This bill would make a technical, nonsubstantive change to that provision.

Position: Monitor

AB 423(Butler) State government: Infrastructure and Economic Development Bank.

Introduced: 02/14/2011

Last Amend:

Status: 02/15/2011-From printer. May be heard in committee March 17.

Location: 02/14/2011-A PRINT

Summary: Existing law establishes the Infrastructure and Economic Development Bank within the Business, Transportation and Housing Agency. This bill would, instead, provide that the Department of Finance would assume authority over the Infrastructure and Economic Development Bank. This bill contains other related provisions.

Position: Monitor – **There are several bills dealing with the Infrastructure and Economic Development Bank. The bank is a potential funding source for infrastructure needs at fairgrounds.**

AB 513(Hall) Enforcement of obligations: gambling debt.

Introduced: 02/15/2011

Last Amend:

Status: 02/16/2011-From printer. May be heard in committee March 18.

Location: 02/15/2011-A PRINT

Summary: Existing case law declares the public policy of the state against judicial resolution of civil claims arising out of gambling contracts or transactions absent a statutory right to bring those claims. This bill would declare the intent of the Legislature to enact legislation relating to the enforcement of gambling debt obligations.

Position: Monitor – **An ongoing issue – likely a spot bill**

AB 562(Hall) Horse racing: Wood Memorial.

Introduced: 02/16/2011

Last Amend:

Status: 02/17/2011-From printer. May be heard in committee March 19.

Location: 02/16/2011-A PRINT

Summary: Existing law authorizes a thoroughbred racing association or fair to distribute the audiovisual signal and accept wagers on the results of out-of-state thoroughbred races conducted in the United States during the calendar period the association or fair is conducting a race meeting, as specified, without the consent of the organization that represents horsemen participating in the race meeting and without regard to the amount of purses. Existing law prohibits the total number of thoroughbred races imported by associations or fairs on a statewide basis, as specified, from exceeding 32 per day on days when live thoroughbred or fair racing is being conducted in the state. Certain well-known races are excluded from this limitation, including the Kentucky Derby and the Belmont Stakes. This bill would add the Wood Memorial to the list of races that are not included for purposes of determining compliance with that prohibition.

Position: Monitor – **Committee spot bill**

AB 616(Garrick) Horse racing: California Horse Racing Board.

Introduced: 02/16/2011

Last Amend:

Status: 02/17/2011-From printer. May be heard in committee March 19.

Location: 02/16/2011-A PRINT

Summary: Existing law provides that jurisdiction and supervision over meetings in this state where horse races with wagering on their results are held or conducted, and over all persons or things having to do with the operation of those meetings, is vested in the California Horse Racing Board. Existing law provides that no board member is disqualified from receiving a share of any purse awarded him or her as the result of any horse race as an owner of a horse or as a breeder of a California-bred horse. This bill would make a technical, nonsubstantive change to the latter provision.

Position: Monitor

AB 700(Blumenfield) Infrastructure and Economic Development Bank.

Introduced: 02/17/2011

Last Amend:

Status: 02/18/2011-From printer. May be heard in committee March 20.

Location: 02/17/2011-A PRINT

Summary: The Bergeson-Peace Infrastructure and Economic Development Bank Act establishes the Infrastructure and Economic Development Bank within the Business, Transportation and Housing Agency. The act provides that bank is governed and its corporate powers are exercised by a board of directors of which the Secretary of Business, Transportation and Housing or his or her designee shall serve as chair. This bill would delete the provisions establishing the bank within the Business, Transportation and Housing Agency and providing that the Secretary of Business, Transportation and Housing or his or her designee shall serve as chair of the board of directors. It instead would provide that the bank is within state government and that the Director of Finance or his or her designee shall serve as chair of the board of directors.

Position: Monitor – **I-Bank**

AB 707(Garrick) Horse racing: California Horse Racing Board.

Introduced: 02/17/2011

Last Amend:

Status: 02/18/2011-From printer. May be heard in committee March 20.

Location: 02/17/2011-A PRINT

Summary: Existing law provides that the jurisdiction and supervision over meetings in this state where horse races with wagering on their results are held or conducted, and over all persons or things having to do with the operation of those meetings, is vested in the California Horse Racing Board. Existing law requires the board to appoint those employees as may be necessary to carry out the provisions governing horse racing in this state. This bill would make a technical, nonsubstantive change to the latter provision.

Position: Monitor

SB 732(Wyland) Satellite wagering: funding for offsite stabling.

Introduced: 02/18/2011

Last Amend:

Status: 02/19/2011-From printer. May be acted upon on or after March 21.

Location: 02/18/2011-S PRINT

Summary: Existing law requires the California Horse Racing Board to determine the number of usable stalls that each association or fair is required to make available and maintain in order to conduct a racing meeting. Existing law requires, when satellite wagering is conducted in certain areas, as specified, that an amount not to exceed 1.25 % of the total amount handled by all of those satellite wagering facilities be deducted from the funds otherwise allocated for distribution as commissions, purses, and owners' premiums and instead distributed to an organization formed and operated by thoroughbred racing associations, fairs conducting thoroughbred racing, and the organization representing thoroughbred horsemen and horsewomen, to administer a fund to

provide reimbursement for offsite stabling at board-approved auxiliary training facilities for additional stalls beyond the number of usable stalls the association or fair is required to make available and maintain, and for the vanning of starters from these additional stalls on racing days for thoroughbred horses. This bill would require that the off-site stabling at board-approved training facilities for which reimbursement is provided also be located within a reasonable travel distance from the association or fair.

Position: Monitor – **Not likely to impact Cal Expo**

AB 777(Hall) Gambling.

Introduced: 02/17/2011

Last Amend:

Status: 02/18/2011-From printer. May be heard in committee March 20.

Location: 02/17/2011-A PRINT

Summary: The Gambling Control Act provides for the licensure of certain individuals and establishments involved in various gambling activities, and for the regulation of those activities, by the California Gambling Control Commission. The act requires every person who is required to hold a state license to obtain the license prior to engaging in the activity or occupying the position with respect to which the license is required, except as specified. This bill would require every person who is required to hold a state license to obtain the license before engaging in the activity or occupying the position with respect to which the license is required, except as specified.

Position: Monitor - **Information**

AB 893(V. Manuel Pérez) State government: I-Bank

Introduced: 02/17/2011

Last Amend:

Status: 02/18/2011-From printer. May be heard in committee March 20.

Location: 02/17/2011-A PRINT

Summary: Existing law establishes the California Infrastructure and Economic Development Bank in the Business, Transportation and Housing Agency. The board of directors of the bank consists of, among others, the Secretary of State and Consumer Services, or their designee. Existing law requires 3 members of the board to constitute a quorum and to take action. Existing law imposes certain duties and grants certain powers to the executive director of the bank. This bill would alter the membership of the board of the directors of the bank by removing and adding certain members. This bill would also impose term limits on certain members of the board. This bill would also require 4 members of the board to constitute a quorum and to take action.

Position: Monitor – **I-Bank**

AB 897(Hall) Horse racing: quarter horse racing.

Introduced: 02/17/2011

Last Amend:

Status: 02/18/2011-From printer. May be heard in committee March 20.

Location: 02/17/2011-A PRINT

Summary: Existing law vests jurisdiction and supervision over horse racing in this state in the California Horse Racing Board. Existing law permits the board to authorize a licensed quarter horse racing association that is conducting a live racing meeting to accept wagers on certain races conducted by the racing association that conducts the American Quarter Horse Racing Challenge, if the races are conducted on the same day as the American Quarter Horse Racing Challenge, as specified. This bill would additionally permit the board to authorize a licensed quarter horse racing association that is conducting a live racing meeting to accept wagers on the full card of races conducted by another racing association on the day that other association conducts the Texas Classic Futurity and Remington Park Futurity, as specified.

Position: Monitor – **Quarter Horse spot bill**

AB 1094(John A. Pérez) California Infrastructure and Economic Development Bank.

Introduced: 02/18/2011

Last Amend:

Status: 02/18/2011-Read first time. To print.

Location: 02/18/2011-A PRINT

Summary: Existing law establishes the California Infrastructure and Economic Development Bank in the Business, Transportation and Housing Agency. Existing law establishes that the board of directors of the bank consists of 5 members, as specified. This bill would add a member of the Assembly and a member of the Senate as advisory members of the board.

Position: Monitor – **I-Bank**

AB 1204(Dickinson) Fairs: California Exposition and State Fair Authority.

Introduced: 02/18/2011

Last Amend:

Status: 02/18/2011-Read first time. To print.

Location: 02/18/2011-A PRINT

Summary: Existing law provides that the governing body of the California Exposition and State Fair shall be an 11 member board of directors who shall be residents of California and appointed, as specified. Existing law provides that 9 directors shall be appointed by the Governor with the consent of the Senate and

that the directors appointed by the Governor shall have general knowledge of, interest in, and expertise in one or more specified areas, including, among others, fair management, the arts, education, and youth. Existing law provides that the directors shall be appointed for 4 year terms. This bill would provide that every director appointed pursuant to those provisions whose term has expired shall continue to discharge the duties of his or her office until a successor is appointed and qualified. The bill would additionally add public relations and marketing to the list of topics of which the Governor's appointees are required to have knowledge of, interest in, and expertise in.

Position: Sponsor – **Cal Expo bill to obtain administrative relief**

AB 1290(Lara) Gambling.

Introduced: 02/18/2011

Last Amend:

Status: 02/18/2011-Read first time. To print.

Location: 02/18/2011-A PRINT

Summary: The Gambling Control Act provides for the licensure of certain individuals and establishments involved in various gambling activities, and for the regulation of those activities, by the California Gambling Control Commission. The act sets forth related findings and declarations. This bill would make technical, nonsubstantive changes to those findings and declarations.

Position: Monitor – **Information – spot bill**

SB 1(Kehoe) 22nd District Agricultural Association: Del Mar Race Track and Fairgrounds: sale of state property.

Introduced: 12/06/2010

Last Amend:

Status: 02/10/2011-Referred to Coms. on G.O. and RLS.

Location: 02/10/2011-S G.O.

Summary: Existing law provides that the state is divided into agricultural districts in which 50 or more persons, who are residents of a district, may form a district agricultural association for specified purposes, including holding fairs and constructing, maintaining, and operating recreational facilities. Existing law provides that District 22 is the County of San Diego. This bill would create District 22a, which would consist of all of that real property and personal property that is a portion of District 22 that is commonly known as the Del Mar Race Track and Fairgrounds located in the City of Del Mar and certain other property in the City of San Diego, and would prescribe certain matters applicable to officers of the 22nd District Agricultural Association and the District 22a Agricultural Association. The bill would, among other things, authorize the Department of General Services to sell all or any portion of the real property that comprises District 22a and related personal property to the City of Del Mar and require the

net sale proceeds to be deposited into the District 22a Disposition Fund, which the bill would create in the State Treasury. This bill contains other related provisions and other existing laws.

Position: Monitor – **Authorizes the sale of the San Diego County Fairground (22nd District Agricultural Association) – similar to OCF legislation**

SB 40(Correa) Internet poker.

Introduced: 12/06/2010

Last Amend:

Status: 01/20/2011-Referred to Coms. on G.O. and PUB. S.

Location: 01/20/2011-S G.O.

Summary: The Gambling Control Act provides for the licensure of certain individuals and establishments that conduct controlled games, as defined, and for the regulation of these gambling activities by the California Gambling Control Commission. Existing law provides for the enforcement of those regulations by the Department of Justice. Any violation of these provisions is punishable as a misdemeanor, as specified. This bill would establish a framework to authorize intrastate Internet poker, as specified. The bill would require the department to adopt regulations, in consultation with the California Gambling Control Commission, governing the intrastate play of poker games on the Internet, and would provide for a licensed entity to operate an intrastate Internet poker Web site. The bill would make it a misdemeanor for any person or entity to offer or participate in any form of illegal Internet gambling, as defined, or to process any financial transaction arising out of participation in illegal Internet gambling. The bill would authorize the seizure of any money or property used in or derived from illegal Internet gambling, as specified, and would provide for any money or property that has been seized to be forfeited to the Internet Gambling Fund, as established by this bill. By creating new crimes, this bill would impose a state mandated local program. This bill contains other related provisions and other existing laws.

Position: Monitor- **One of two bills dealing with the legalization of Internet Poker in California – Poker only – limited number of hubs**

SB 45(Wright) Internet gambling.

Introduced: 12/08/2010

Last Amend:

Status: 01/20/2011-Referred to Com. on G.O.

Location: 01/20/2011-S G.O.

Summary: The Gambling Control Act provides for the licensure of certain individuals and establishments that conduct controlled games, as defined, and for the regulation of these gambling activities by the California Gambling Control Commission. Existing law provides for the enforcement of those regulations by

the Department of Justice. Any violation of these provisions is punishable as a misdemeanor, as specified. This bill would establish a framework to authorize intrastate Internet gambling, as specified. The bill would require the department to issue a request for proposals to enter into contracts with up to 3 hub operators, as defined, to provide lawful Internet gambling games to registered players in California for a period of 20 years, as specified. This bill contains other related provisions and other existing laws.

Position: Monitor – **Legalizes Internet Gambling in California – broad definition of games – open architecture – multiple hubs**

SB 52(Steinberg) Water quality: Sacramento Regional County Sanitation District.

Introduced: 12/15/2010

Last Amend:

Status: 01/20/2011-Referred to Com. on E.Q.

Location: 01/20/2011-S E.Q.

Summary: The Disaster Preparedness and Flood Prevention Bond Act of 2006 authorizes the issuance of bonds in the amount of \$4,090,000,000 for the purposes of financing disaster preparedness and flood prevention projects. Of those funds, \$300,000,000 is available to the Department of Water Resources, upon appropriation by the Legislature, for grants for storm water flood management projects that meet prescribed requirements. This bill would appropriate \$50,000,000 to the department from the above bond acts, as specified, to provide financial assistance to the Sacramento Regional County Sanitation District to offset rate increases associated with the costs of capital improvements to the district's regional sewage treatment plant as a result of the issuance of a specified national pollutant discharge elimination system permit and waste discharge requirements. This bill contains other existing laws.

Position: Monitor - **Information**

SB 249(Yee) District agricultural associations: 1-A District Agricultural Association: membership.

Introduced: 02/10/2011

Last Amend:

Status: 02/11/2011-From printer. May be acted upon on or after March 13.

Location: 02/10/2011-S PRINT

Summary: Existing law divides the state into district agricultural associations for the purposes of, among other things, holding fairs and expositions exhibiting all of the industries and industrial enterprises, resources, and products of every kind or nature of the state with a view toward improving, exploiting, encouraging, and stimulating them. Existing law provides that the 1-A District Agricultural Association is the County of San Mateo and the City and County of San

Francisco. Existing law provides that the term of office of each director of an agricultural association is 4 years, except as specified, provides for the staggering of terms, and requires directors to be appointed by the Governor. This bill would require that for the directors of the 1-A District Agricultural Association, 2 directors be appointed by the Mayor of San Francisco, 2 directors be appointed by the Mayor of Daly City, and 5 directors be appointed by the Governor. Because this bill would impose additional duties on local government entities, it would create a state-mandated local program. The bill would prohibit the Governor from appointing a director to fill a vacancy until the 2 respective appointments have been made by the Mayor of San Francisco and the Mayor of Daly City. Once those appointments have been made, when there is a vacancy on the board, a successor would be appointed in the same manner as was his or her predecessor. This bill contains other related provisions and other existing laws.

Position: Monitor – **Restructures the board of directors of the Cow Palace (1-A District Agricultural Association)**

SB 305(Calderon) Satellite wagering: minisatellite facilities.

Introduced: 02/14/2011

Last Amend:

Status: 02/15/2011-From printer. May be acted upon on or after March 17.

Location: 02/14/2011-S PRINT

Summary: Existing law generally regulates horse racing, including satellite wagering on horse races. Existing law authorizes the California Horse Racing Board to authorize certain fairs and racing associations to operate satellite wagering facilities. Existing law authorizes the board to approve minisatellite wagering sites, as defined, under specified conditions. Existing law directs the board to license a minisatellite facility for a period of 2 years. This bill would, instead, direct the board to license a minisatellite facility for a period of up to 5 years. The bill would also make other technical changes.

Position: Monitor – **Not likely to impact Cal Expo – extends CHRB licensing authority for minisatellite wagering sites**

SB 822(Evans) Infrastructure plan.

Introduced: 02/18/2011

Last Amend:

Status: 02/18/2011-Introduced. Read first time. To Com. on RLS. for assignment. To print.

Location: 02/18/2011-S PRINT

Summary: Existing law requires the Governor, in conjunction with the Governor's Budget, to submit annually to the Legislature a proposed 5-year infrastructure

plan containing specified information concerning infrastructure needed by state agencies, public schools, and public postsecondary educational institutions and a proposal for funding the needed infrastructure. This bill would make technical, nonsubstantive changes to this provision.

Position: Monitor - **Information**

SB 855(Kehoe) State Race Track Leasing Commission.

Introduced: 02/18/2011

Last Amend:

Status: 02/18/2011-Introduced. Read first time. To Com. on RLS. for assignment. To print.

Location: 02/18/2011-S PRINT

Summary: Existing law establishes, until January 1, 2013, the State Race Track Leasing Commission which is composed of the Secretary of Food and Agriculture, the Director of Finance, and the Director of General Services, and 3 other individuals, as specified, who are appointed by the Governor. The commission is authorized to enter into leases and agreements for the use of specified property owned or controlled by the 22nd District Agricultural Association. This bill would extend the operative date of the provision establishing the commission until January 1, 2023.

Position: Monitor – **Spot bill dealing with the State Race Track Leasing Commission**

CALIFORNIA EXPOSITION & STATE FAIR

State Fair, Agriculture & Marketing Committee Meeting Minutes
Friday, February 25, 2011
9:30 a.m.

MINUTES

Committee Members Present:

Richard Engel, Chair
Director Corny Gallagher
Director Amparo Pérez-Lemus

Committee Members Absent:

Director Marko Mlikotin

Other Board Members Present:

Director Corny Gallagher

Staff Present:

General Manager/CEO (GM)
Deputy General Manager (DGM)
Assistant General Manager, Special Projects (AGM)
Admissions, Parking & RV Park Manager
Interim Marketing Manager (IMM)
Sponsorship Sales
Exhibits Supervisor
Entertainment Coordinator
Recording Secretary

Norb Bartosik
Brian May
Amy Coleman-Casias
Marcia Shell
Joan Evans
Brian Honebein
Greg Kinder
Paul Gillingham
Linda Contreras

Chair Engel called the meeting to order at 9:55 a.m. and dispensed with reading the Mission Statement and Public Comments Statement. Director Mlikotin was not present and had asked to be excused.

MATTERS OF INFORMATION

1. Staff Reports

Greg Kinder, Exhibits Supervisor reviewed Staff reports included in the Board packet.

Updated 2011 Gala Sponsorship packets and 2011 State Fair Calendar were distributed to the Committee. Copies for review are on file.

Director Gallagher asked what the price will be for an individual ticket to the Gala. GM Bartosik responded that the price will be \$125 per ticket.

Discussion ensued about combining Foodstyle with the Wine Garden to create a better food and wine experience.

Chair Engel asked what impact occurred on the date change in regards to the Junior Livestock exhibits. GM Bartosik reported that it was a positive move which resulted in an increase in numbers overall.

IMM Evans reviewed her Staff reports included in the Board packet.

IMM Evans reported that a presentation from Runyon Saltzman & Einhorn on the 2011 Fair theme; **“THE FUN JUST GOT BIGGER”** will be presented this afternoon to the Board.

IMM Evans distributed a 2011 Sponsorship Revenue Tracking Report to the Committee. A copy for review is on file.

ADJOURNMENT

The State Fair, Agriculture and Marketing Committee meeting adjourned at 10:23 a.m.

CALIFORNIA EXPOSITION & STATE FAIR
Horse Racing Committee Meeting Minutes
Friday, February 25, 2011
9:00 a.m.

MINUTES

Committee Members Present:

Steve Beneto, Chair
Director Cynthia Bryant
Director Sonney Chong
Director Rick Stacey

Other Board Members Present:

Director Corny Gallagher

Staff Present:

General Manager/CEO (GM)
Deputy General Manager (DGM)
Assistant General Manager, Racing (AGM)
Assistant General Manager, Chief Financial Officer (AGM)
Admissions, Parking & RV Park Manager
Interim Marketing Manager (IMM)
Recording Secretary

Norb Bartosik
Brian May
David Elliott
Dana McIlwain
Marcia Shell
Joan Evans
Linda Contreras

Others Present:

California Harness Horsemen's Association (CHHA)
California Harness Horsemen's Association (CHHA)

Alan Horowitz
Rocky Stidham

Chair Beneto called the meeting to order at 9:00 a.m. and dispensed with reading the Mission Statement. Chair Beneto read the Public Comments Statement.

MATTERS OF INFORMATION

1. Staff Reports

AGM Elliott reviewed his Staff Report included in the Board packet.

Director Chong arrived at 9:04 a.m.

Director Beneto asked for a report at the next meeting on the costs of operating all horse racing activities and to address the decline in commission revenue.

AGM Elliott distributed and reviewed a Cal Expo Harness Racing Overpayment Reconciliation (Unaudited) report. A copy is attached and made part of the record.

Director Bryant arrived at 9:15 a.m.

Alan Horowitz, CHHA, addressed the Committee saying that the purse pool is cyclical given the time of year. There are months that the purse pool is overpaid

and months that it's underpaid. This is consistent with the experience at other racetracks.

The reconciliation projects that the purse overpayment will be \$2021 at the start of the Fall meet.

Alan Horowitz, CHHA thanked the Committee for their continued support.

ADJOURNMENT

The Horse Racing Committee meeting adjourned at 9:55 a.m.

Cal Expo Harness Racing overpayment reconciliation (unaudited)

After a thorough review by Dana McIlwain and Donna Newman, the following reconciliation and update of the Cal Expo harness racing purse pool overpayment is provided:

December 18, 2010- Overpayment	\$531,479
Funding of Overpayment-	
Overpayment Reduction (Generated vs. Paid) 12/26-2/20/11	\$ 67,654
Cal Expo 2010-2011 contribution-	\$175,000
Scotwinc Reimbursement of Excess Funds- 2010	\$ 73,000
Estimated AB 480 Refund- (\$6,024 in 2010)	\$ 7,000
Estimated Outs Refunds- Uncashed tickets (\$39,592 in 2010)	\$ 30,000
CHHA Outstanding funds for Late Closer Series-	\$ 15,800
Estimated 2011 Break Period 8/16 monies- (\$152,781 in 2010)	\$125,000
Additional CHHA purse funds owed to purse pool-	<u>\$ 36,004</u>
<u>Sub Total of Funds for Overpayment-</u>	<u>\$529,458</u>
<u>Overpayment- 12/18/2010</u>	<u>\$531,479</u>
<u>(Over)/Underpayment -</u>	<u>\$ (2,021)</u>

CALIFORNIA EXPOSITION & STATE FAIR

Finance & Audit Committee Meeting Minutes
Friday, February 25, 2011
10:15 a.m.

MINUTES

Committee Members Present:	Rick Stacey, Chair Director Cynthia Bryant Director Kathy Nakase
Committee Members Absent:	Director Rex Hime
Other Board Members Present:	Director Corny Gallagher
Staff Present:	
General Manager/CEO (GM)	Norb Bartosik
Deputy General Manager (DGM)	Brian May
Assistant General Manager, Racing (AGM)	Dave Elliott
Assistant General Manager, Special Projects	Amy Coleman-Casias
Assistant General Manager, Chief Financial Officer (AGM)	Dana McIlwain
Admissions, Parking & RV Park Manager	Marcia Shell
Interim Marketing Manager (IMM)	Joan Evans
Recording Secretary	Linda Contreras
Others Present:	
Consultant	Norm Towne

Chair Stacey called the meeting to order at 10:25 a.m. and dispensed with reading the Mission Statement and Public Comments Statement. Director Hime was not present and had asked to be excused.

NEW BUSINESS

1. Monthly Financial Reports for December 2010
2. Accounts Receivable Report
3. 2010 Budget Recap
4. Amendment to Line of Credit Agreement
5. Increase in Allowance for Doubtful Accounts and Write-Off for Accounts Under \$500

AGM McIlwain reviewed the Monthly Financial Reports for December 2010 included in the Board packet.

AGM McIlwain distributed a 2010 Year in Review Report, an Analysis and Forecast Cash Flow Report for 2010-2011 and an Accounts/Receivables Report. Copies are attached and made part of the record.

Chair Stacey expressed the concerns of the Racing Committee about the decline in racing revenue.

Director Gallagher asked that when 2010 closes, that the report include the 2011 budget to 2010 actuals. Also, moving towards department budget reporting would be helpful.

AGM McIlwain reviewed the Accounts Receivable report distributed to the Committee.

Chair Stacey asked Staff to include the Accounts Receivable report in the Board packet, and at the meeting distribute any updates.

Chair Stacey asked about the status of the total due from Twin Spires and YouBet.com reported last month. AGM Elliott reported there is a discrepancy in the total and Staff is working with them to get payment.

Chair Stacey reviewed the 2nd Amendment to the Line of Credit Agreement with the Bank of the West to be presented to the Board under Consent Calendar.

Motion:

It was moved by Director Bryant and seconded by Director Nakase to recommend to the Board for approval the 2nd Amendment to the Line of Credit Agreement. **All in favor, motion carried.**

MATTERS OF INFORMATION

1. Contracts/Purchases Requiring Board Notification
2. Capital Project Projection Report
3. 2011 Budget Update

DGM May reported the budget approved in October 2010 called for an additional \$330,000 in personnel cuts. This was going to be completed through a lay-off process. Staff decided not to proceed with layoffs and would achieve the cuts another way, which AGM Coleman-Casias is going to present.

AGM Coleman-Casias reviewed the 2011 Budget Update report distributed to the Committee. A copy is attached and made part of the record.

Director Nakase asked Staff if the Governor's hiring freeze is reflected on the report.

DGM May responded that the Executive Order has not been received. If full time employees need to be hired Cal Expo will seek an Exemption to the Order. GM Bartosik commented that there was a typo on FA 8 Contracts/Purchases Requiring Board Notification. The amount for Lee Greenwood, Inc. concert should be in the amount of \$22,500 not \$15,000.

Chair Stacey said if the Board approves a change in the Board meeting schedule, the Financial Reports will include a hard quarterly close and address any significant trends.

Director Bryant has concerns about the proposed quarterly meetings and will express her concerns during the Board meeting this afternoon.

Chair Stacey commented regardless what the Board decides on quarterly meetings, he would like to propose that the financial statements be provided quarterly even if the Committee meets monthly.

Motion:

It was moved by Director Nakase and seconded by Director Bryant to recommend to the Board for approval the Monthly Financial Statements for December 2010 and the Increase in Allowance for Doubtful Accounts and Write-Off for Accounts Under \$500.

All in favor, motion carried.

ADJOURNMENT

The Finance & Audit Committee meeting adjourned at 11:45 a.m.

California Exposition & State Fair 2010 Year in Review

Business as usual was not the theme of 2010. As the economy continued to present challenges to Cal Expo in the form of decreasing revenues in racing and interim events, the staff knuckled down for the long haul. Staff put out extra effort to do more with less funds and fewer personnel, partnerships were formed to explore new ways to generate revenue and keep promoters coming back, and the agency's culture changed. The overriding hallmark of 2010 was the willingness to do what it took to meet and manage a struggling economy magnified by regional uncertainty over the State budget, which would impact our primary source of event-goers. And on top of all that, we changed the historical Fair dates—no small undertaking.

The facts

- The year finished with an operating loss before depreciation and capital expenditures of \$551,570 and YTD net loss against budget variance of \$1,574,307.
- Bottom bottom line: a loss of \$3,202,711 after depreciation.
 - Revenues were down 5% from budget, or \$1,405,374.
 - The decrease was primarily due to a revenue shortfall in harness racing of \$1,544,812, with a slight uptick in revenues for Fairs & Expos/Grants of \$300,244.
- Looking at 2009–2010 actual comparison, there was an overall decrease of \$1,894,089 in this year's revenue.
 - Approximately 50% of this decrease—totalling \$950,000—occurred in harness racing and simulcast wagering.
 - The remainder was made up of the State Fair—down \$236,000; Expo events—down \$200,000; and Fairs & Expos—down \$150,000.

Additional smaller losses were spread across the various event areas, with an unanticipated \$150,000 loss in Electronic Sign revenue due to termination of a contract. The wariness and uncertainty over the overall economy as well as State budget issues were felt to be the culprits.

Expenses held fairly steady between 2009 and 2010, with an increase in 2010 of \$147,000. The increase was spread throughout the expense classifications. In relation to the 2010 budget, actual expenses had an overbudget variance of \$168,933.

It's noteworthy that net of personal service costs, the staff met the challenge by coming in under budget by \$925,420 for operational expenses. The single largest hit to 2010 expenses was an increase in Other Post Employee Benefits (OPEB) liability of \$900,000, a cost out of Cal Expo's control.

The dinosaurs arrived

... along with 742,352 people, a new giant slide, and the promise of bumper cars in the future. The State Fair made a material adjustment this year in changing the Fair dates, moving the 19-day event earlier in the year to bypass conflicts with fall school schedules. This was a successful change exemplified by attendance increasing 10% over 2009 and beating the 2010 forecast of a 7.5% increase. However, a decrease in Cal Expo's commission percentage of food sales and the loss of race wagering on the Labor Day weekend that was a feature of past Fairs diluted the gain in attendance, and the Fair wound up about even with the budgeted revenue forecast.

As far as interim events go, revenues per event were up and down. Those events—such as Home & Landscape—that mirrored the “do-it-yourself and save money” trend enjoyed increased attendance. One of our larger events—Sport Boat and RV—pulled out due to a surplus of good, well-priced, used inventory of these vehicles in the market. However, we picked up what should be an annual growth event called Naughty Gras, a Mardi Gras-themed Ball promoted by CBS—it was a huge success this year.

We also partnered with various vendors, including Ovations (food and beverage) and CBS (advertising), to step outside the box and put on three of our own events.

- October Fest
- Don Geronimo
- Taste of Home

Even though these events didn't meet our hopes, they opened the door to continue looking for new and innovative ways to generate revenue and provided us with an education on how to run our own events. The Flower and Garden show was another new “do-it-yourself” event that was very successful and will be back in 2011. San Francisco has closed its popular Flower and Garden show—which we hope will have a positive effect on our attendance in the coming years.

Old standbys like the Horse Expo continue to do well. One event that was unique to 2010 and deserves a prominent spot in this year's lineup was NACA, the Neighbor Assistance Corporation of America event, where for 5 days, 24 hours a day, hordes of mortgage and banking representatives worked to assist over 9,500 people in finding solutions to their mortgage problems and staving off potential loss of their homes.

More facts

- Annual admissions for all interim events was 489,403—basically no change from 2009.
- Rents and parking revenues were down 7.5% and 0.82%, respectively, for a total of \$115,000.
- Exhibitor parking and food and beverage were up 2.32% and 4.65%, respectively, for a total of \$21,000.
- Racing continues to struggle against the national downturn in all venues and with all breeds.
- Harness revenue was down 15% from 2009 (\$5,846,384 to \$5,007,188) and ended up with a budget shortfall of \$1,544,812.

- Simulcast fared better against budget, with revenues at \$1,099,504, an overbudget variance of \$13,000. In comparison to 2009 actuals, it was down 9% to \$1,099,504.
- Budgeted revenues for 2011 have been reduced by 13% and 10% for harness and simulcast, respectively, based on an average daily commission in 2010 and a decrease in racing days from 134 in 2010 to 129 in 2011.

Permanent staff levels stayed steady as everyone rose to meet the challenges of a pared down budget. Executive staff worked to manage the mandated furlough program so no staff salaries were negatively affected. The staff maintained their high level of dedication and loyalty to the organization.

The bigger picture

2009 was a wake-up call. The economy was tanking and discretionary income was shrinking or being hoarded.

- Racing was no longer able to support other programs and events.
- Cal Expo needed to make a cultural change to survive and that is exactly what the agency did.
- No program in 2010 was exempt from scrutiny. What was the ROI? Was there a better way to do what we have been doing?
- Quality vs. quantity. Can we achieve the same results with less?
- The dreaded “Decision Tree” developed during this learning period will be the guide in weighing the merits of all programs, old and new, for the future, resulting in the go-no go decision.

The Sacramento Convergence Proposal came to an end in 2010 with the Board voting down any further action. The Cal Expo Renewal Program is now in full swing, with a feasibility study well on its way, including a “fatal flaw” analysis of development of the east and west areas of the grounds—the parking lot on the west and the race track on the east. The preliminary report is slated to be ready in March 2011 with the final following in April.

The State budget issues and solutions will have unknown but definite impacts on all fairs in California. The trickle-down effect will most likely influence attendance at the Fair and other interim events. The 2011 budget reflects this concern with additional cuts to spending and a conservative forecast of revenues.

The executive staff is continuing to work diligently on obtaining legislative operational flexibility for the agency based on the goals adopted by the Board in July 2010. This flexibility should promote increased administrative efficiencies and cost management.

California Exposition and State Fair
 Analysis and Forecast of Cash Flow for 2010 and 2011
 (A=actual, F=forecasted)

Year/Month		Receipts	Disbursements	Cash Balance
2010		Beginning balance 1/1/2010		\$ 2,695,553
January	A	\$ 1,623,230	\$ 2,584,404	1,734,379
February	A	2,236,858	2,280,276	1,690,961
March	A	3,022,166	2,631,649	2,081,478
April	A	1,597,673	2,194,419	1,484,732
May	A	3,057,672	2,356,024	2,186,380
June	A	3,295,263	2,867,581	2,614,062
July	A	8,897,385	4,512,990	6,998,457
August	A	3,475,058	4,727,476	5,746,039
September	A	651,642	2,928,055	3,469,626
October	A	1,803,782	1,679,686	3,593,722
November	A	2,296,380	2,486,060	3,404,042
December	A	1,768,198	2,888,331	2,283,909
TOTALS		\$ 33,725,307	\$ 34,136,951	
2011		Beginning balance 1/1/2011		\$ 2,283,909
January	A	\$ 2,463,221	\$ 2,717,092	2,030,038
February	F	2,155,108	2,598,140	1,587,006
March	F	2,940,416	2,349,429	2,177,993
April	F	1,515,923	2,176,419	1,517,497
May	F	2,975,922	2,338,024	2,155,395
June	F	3,213,513	2,849,581	2,519,327
July				
August				
September				
October				
November				
December				
TOTALS		\$ 15,264,103	\$ 15,028,685	

Assumptions:

Receipts

Events will closely follow Q1 and Q2 of 2010. The impact of changes from 2010 to 2011 is negligible: Q1 (\$17,390) and Q2 \$30,000.

Harness racing and simulcast wagering is forecast to be down 24% collectively. Receipts have been reduced by \$81,750 per month.

Disbursements

Payroll costs adjusted for increase in health benefit premiums and PERS %, and decreased by 4.62% due to the state budget cut.

Payroll costs also reflect a \$40,000/month reduction in temporary help costs.

Accounts payable decreased \$90,000/month to reflect a decrease in capital outlay in relation to corresponding quarters in 2010.

CALIFORNIA EXPOSITION & STATE FAIR

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CUSTOMER				NOT YET DUE	CURRENT	OVER 30	OVER 60	OVER 90	OVER 120	
				2/23/2011	2/01/2011	1/01/2011	12/01/2010	11/01/2010	UP TO	
DATE	TRM	INVOICE	----PO/UDF INFORMATION----	BALANCE	AND BEYOND	2/22/2011	1/31/2011	12/31/2010	11/30/2010	10/31/2010
=====										
----- SALESPERSON: MKT MARKETING										

DAIMLER CHRYSLER DODGE				CREDIT RATING:						
7/25/2010	0	13065	10 SF SPONSORSHIP *	45,800.00						45,800.00
11/05/2010	30	FC-1105		987.00				987.00		
12/09/2010	30	FC-1209		987.00			987.00			
1/11/2011	30	FC-0111		987.00		987.00				
TOTALS:				48,761.00		987.00	987.00	987.00		45,800.00
GENERAL MOTORS GENMOT				CREDIT RATING:						
2/18/2011	65	13604	11CSF SPONSORSHIP	180,000.00	180,000.00					
TOTALS:				180,000.00	180,000.00					
PACE BATHROOMS, PACEBA				CREDIT RATING:						
7/26/2010	0	13068	10SF SPONSORSHIP *	8,000.00						8,000.00
11/05/2010	30	FC-1105		240.00				240.00		
12/09/2010	30	FC-1209		240.00			240.00			
1/11/2011	30	FC-0111		120.00		120.00				
TOTALS:				8,600.00		120.00	240.00	240.00		8,000.00
PRIME ONE PRIME PRIME				CREDIT RATING:						
6/24/2010	10	12967	10 CSF SPONSORSHIP	18,000.00						18,000.00
8/25/2010	30	13182	10CSF PARKING PASSES	300.00						300.00
9/24/2010	30	FC-0924		270.00						270.00
11/05/2010	30	FC-1105		274.50				274.50		
1/11/2011	30	FC-0111		274.50		274.50				
TOTALS:				19,119.00		274.50		274.50		18,570.00
TOTALS FOR MKT				256,480.00	180,000.00	1,381.50	1,227.00	1,501.50		72,370.00

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CUSTOMER                                NOT YET DUE  CURRENT  OVER 30  OVER 60  OVER 90  OVER 120
                                         2/23/2011  2/01/2011  1/01/2011 12/01/2010 11/01/2010 UP TO
DATE   TRM   INVOICE ----PO/UDF INFORMATION---- BALANCE  AND BEYOND 2/22/2011 1/31/2011 12/31/2010 11/30/2010 10/31/2010
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----- SALESPERSON:  MSC  MISC SALESPERSON
```

ANNY SOUVANNARA SOUVAN CREDIT RATING: HOLD
 7/28/2010 0 NSF-CK-110 NSF CK110 64.95 64.95

TOTALS: 64.95 64.95

BRENDA CASILLAS CASILB CREDIT RATING: HOLD
 7/22/2010 0 NSF-CK-516 NSF-CK-516 64.95 64.95

TOTALS: 64.95 64.95

CA FAIR SERVICE CAFSA CREDIT RATING:
 9/10/2010 30 13269 ELECTRICAL EQUIPMT REIM 47,379.11 47,379.11
 11/30/2010 30 13438 Q3-2010 REIMBURSEMENTS 27,349.95 27,349.95
 1/24/2011 30 13543 AMY CASIAS'S TIME REIMBUR 3,510.00 3,510.00

TOTALS: 78,239.06 3,510.00 27,349.95 47,379.11

DAVID GOMEZ GOMEZD CREDIT RATING: HOLD
 7/30/2010 0 NSF-CK-113 NSF CK-113 64.95 64.95

TOTALS: 64.95 64.95

FAITH THOMAS THOMFA CREDIT RATING: HOLD
 7/12/2010 0 NSF-CK-404 NSF-CK-404 64.95 64.95

TOTALS: 64.95 64.95

KAREN E. FRITZL FRITKA CREDIT RATING: HOLD
 1/23/2009 0 NSF-CK-1003 205.00 205.00

TOTALS: 205.00 205.00

OFFICE OF TRAFF OFFIC3 CREDIT RATING:
 11/16/2010 30 13431 4TH QTR (JUL-SEP) REIMB * 2,682.24 2,682.24

TOTALS: 2,682.24 2,682.24

PHYLLIS LUTZ LUTZPH CREDIT RATING: HOLD
 8/10/2010 0 NSF-CK-1523 NSF-CK-1523 104.90 104.90

TOTALS: 104.90 104.90

TOTALS FOR MSC 81,491.00 3,510.00 30,032.19 47,948.81

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DATE	TRM	INVOICE	----	PO/UDF INFORMATION----	BALANCE	AND BEYOND
			2/23/2011	2/01/2011	1/01/2011	12/01/2010
						11/01/2010
						UP TO
						10/31/2010

----- SALESPERSON: OPS OPERATIONS/INTERIM EVENTS

AFRICAN CULTURA AFRICC

CREDIT RATING:

10/07/2010 30 13331 AFRICAN CUTURAL FESTIVAL

2,266.00

2,266.00

TOTALS:

2,266.00

2,266.00

ARDEN FAIR ASSO ARDENF

CREDIT RATING:

1/13/2011 30 13527 NOV-DEC PARKING

1,380.00

1,380.00

TOTALS:

1,380.00

1,380.00

BEST WESTERN EX BESTW2

CREDIT RATING:

11/05/2010 30 FC-1105 SF TKT CONSIGNMT

23.52

23.52

12/09/2010 30 FC-1209 SF TKT CONSIGNMT

23.52

23.52

1/11/2011 30 FC-0111 SF TKT CONSIGNMT

23.52

23.52

TOTALS:

70.56

23.52

23.52

23.52

BLAZE INTERNATI BLAZE

CREDIT RATING: HOLD

9/15/2009 SF NSF-CK-220

875.00

875.00

TOTALS:

875.00

875.00

CA HORSE RACING CAHRB

CREDIT RATING:

2/01/2011 30 13561 11FEB RENT

125.10

125.10

TOTALS:

125.10

125.10

CASTLE COMMUNIC CASTLE

CREDIT RATING:

1/18/2011 30 13538 OVERPAY TO VENDOR

3,000.00

3,000.00

TOTALS:

3,000.00

3,000.00

FRIENDS OF THE FRIEN2

CREDIT RATING:

6/24/2010 0 13268 10 GALA DONATION

171.95

171.95

TOTALS:

171.95

171.95

GARY BROWN ENTE GARYBR

CREDIT RATING:

2/10/2011 30 13598 HOME&LANDSCAPE SHOW

34,322.00

34,322.00

TOTALS:

34,322.00

34,322.00

GE SECURITY GESECU

CREDIT RATING: HOLD

1/19/2010 30 12591 GE SURPA KEY EXCHANGE

657.00

657.00

6/10/2010 FC-0610

9.86

9.86

8/20/2010 FC-0820

9.86

9.86

9/24/2010 FC-0924

9.86

9.86

TOTALS:

686.58

686.58

HOPE FOR THE CA HOPEFO

CREDIT RATING: HOLD

8/31/2009 SF NSF-CK-1182

3,145.00

3,145.00

TOTALS:

3,145.00

3,145.00

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CUSTOMER                                NOT YET DUE  CURRENT  OVER 30  OVER 60  OVER 90  OVER 120
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DATE   TRM   INVOICE  ---PO/UDF INFORMATION---  BALANCE  AND BEYOND 2/22/2011  1/31/2011 12/31/2010 11/30/2010 10/31/2010
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----- SALESPERSON: OPS (CONTINUED)
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LED I PARTNERS, LEDPAR

CREDIT RATING:

DATE	TRM	INVOICE	DESCRIPTION	BALANCE	AND BEYOND	2/22/2011	1/31/2011	12/31/2010	11/30/2010	10/31/2010
8/01/2010	60	13112	10 AUG BUYOUT FEE	10,000.00						10,000.00
10/31/2010	60	13414	SEP BUYOUT FEE	10,000.00				10,000.00		
12/03/2010	60	13475	10JULY FEE	10,820.25		10,820.25				
12/03/2010	60	13476	10AUG FEE	9,855.00		9,855.00				
12/03/2010	60	13477	10 SEP FEE	6,898.50		6,898.50				

TOTALS:				47,573.75		27,573.75		10,000.00		10,000.00
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NAACP-SACRAMENT NAACPS

CREDIT RATING:

DATE	TRM	INVOICE	DESCRIPTION	BALANCE	AND BEYOND	2/22/2011	1/31/2011	12/31/2010	11/30/2010	10/31/2010
9/13/2010	30	13273	RHYTHM & BLUES FESTIVAL	9,518.75						9,518.75
12/09/2010	0	FC-1209		142.78				142.78		
1/11/2011	0	FC-0111		142.78				142.78		

TOTALS:				9,804.31			142.78	142.78		9,518.75
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OVATIONS FAN

CREDIT RATING:

DATE	TRM	INVOICE	DESCRIPTION	BALANCE	AND BEYOND	2/22/2011	1/31/2011	12/31/2010	11/30/2010	10/31/2010
3/15/2010	20	12744	SOC1014	3,500.00						3,500.00
1/12/2011	20	13544	WWSRA NOR CAL	713.74		713.74				
1/12/2011	20	13545	BRIDAL SHOW	165.48		165.48				
1/12/2011	20	13546	GUN & CAT SHOW	1,433.22		1,433.22				
1/12/2011	20	13547	JAVA II U	344.11		344.11				
1/12/2011	20	13548	JAVA II U	382.95		382.95				
1/12/2011	20	13549	WWSRA	278.28		278.28				
1/19/2011	20	13550	TRAIN SHOW	1,373.48		1,373.48				
1/19/2011	20	13551	MOUI WOWI	210.94		210.94				
1/26/2011	20	13567	INT.SPORTMAN EXPO	45,101.95		45,101.95				
1/26/2011	20	13568	JAVA II U	309.06		309.06				
1/26/2011	20	13569	MAUI WOWI	796.63		796.63				
1/26/2011	20	13570	HOT DOGGIN	924.65		924.65				
1/26/2011	20	13571	BUBBAS BBQ&CHURRO	8,590.62		8,590.62				
1/26/2011	20	13572	FRASER (FOUR STANDS)	10,166.71		10,166.71				
1/26/2011	20	13573	FIESTAS	1,665.17		1,665.17				
1/26/2011	20	13574	GRINDERS	2,364.70		2,364.70				
1/26/2011	20	13575	JAVA II U	1,186.71		1,186.71				
2/02/2011	20	13589	HOME & GARDEN	11,441.97	11,441.97					
2/02/2011	20	13590	FRASERS	2,714.77	2,714.77					
2/02/2011	20	13591	BABBAS BBQ&CHURROS	2,454.06	2,454.06					
2/02/2011	20	13592	GRINDER	946.46	946.46					
2/02/2011	20	13593	MAUI WOWI	671.46	671.46					
2/02/2011	20	13594	HOT DOGGIN	269.50	269.50					
2/02/2011	20	13595	AMROOT	359.36	359.36					
2/02/2011	20	13596	SWEET VALLEY KETTLE	322.26	322.26					
2/02/2011	20	13597	JAVAI I U	1,292.35	1,292.35					
2/08/2011	20	13585	11JAN1 REIMBUSEMENT	3,251.00	3,251.00					
2/09/2011	20	13599	NCVA	1,008.50	1,008.50					

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CUSTOMER	NOT YET DUE	CURRENT	OVER 30	OVER 60	OVER 90	OVER 120
	2/23/2011	2/01/2011	1/01/2011	12/01/2010	11/01/2010	UP TO
DATE TRM INVOICE	PO/UDF INFORMATION	BALANCE	AND BEYOND	2/22/2011	1/31/2011	12/31/2010
				11/30/2010	10/31/2010	

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----- SALESPERSON: OPS (CONTINUED)

OVATIONS	OVATIONS	(CONTINUED)
2/09/2011 20	13600 MAUI WOWI	649.23 649.23
TOTALS:		104,889.32 25,380.92 76,008.40 3,500.00
PALACE ENTERTAINMENT		CREDIT RATING:
2/01/2011 30	13565 11 FEB RENT	19,568.63 19,568.63
TOTALS:		19,568.63 19,568.63
RECREATION ENTERPRISE		CREDIT RATING:
11/05/2008 30	11632 FALL RV SHOW *	19,888.00 19,888.00
11/17/2008 30	FC-1117	201.23 201.23
12/17/2008 30	FC-1217	201.23 201.23
1/20/2009 30	FC-0120	685.60 685.60
4/15/2009 30	FC-0415	685.60 685.60
5/15/2009 30	FC-0515	624.51 624.51
6/16/2009 30	FC-0616	624.51 624.51
7/29/2009 30	FC-0729	624.51 624.51
9/23/2009 30	FC-0923	624.51 624.51
10/15/2009 30	FC-1015	624.51 624.51
TOTALS:		24,784.21 24,784.21
SACRAMENTO HMON SACHNY		CREDIT RATING:
12/23/2010 30	13498 10HMONG NEW YEAR	8,589.00 8,589.00
TOTALS:		8,589.00 8,589.00
TFC CONCESSIONS TFC		CREDIT RATING:
2/01/2011 30	13564 1 FEB RENT	400.00 400.00
TOTALS:		400.00 400.00
THE NEIGHBORHOOD NEIGHB		CREDIT RATING:
10/27/2010 30	13372 SAVE THE DREAM TOUR	31,906.00 31,906.00
1/11/2011 30	FC-0111	478.59 478.59
TOTALS:		32,384.59 478.59 31,906.00
TOWNEPLACE SUIT TOWNE		CREDIT RATING:
8/25/2010 30	13181 10CSF TICKETS *	18.00 18.00
TOTALS:		18.00 18.00
TUPOU COLLEGE R TUPOUC		CREDIT RATING: HOLD
5/07/2010 0	12871 TUPOUC COLLEGE REUNION *	5,369.06 5,369.06
8/20/2010 30	FC-0820	80.54 80.54
9/24/2010 30	FC-0924	80.54 80.54

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CUSTOMER	NOT YET DUE	CURRENT	OVER 30	OVER 60	OVER 90	OVER 120
	2/23/2011	2/01/2011	1/01/2011	12/01/2010	11/01/2010	UP TO
DATE TRM INVOICE ---PO/UDF INFORMATION---	BALANCE	AND BEYOND	2/22/2011	1/31/2011	12/31/2010	11/30/2010 10/31/2010

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----- SALESPERSON: OPS (CONTINUED)

TUPOU COLLEGE R TUPOU COLLEGE REUNION COMMITTEE (CONTINUED)

11/05/2010 30	FC-1105	80.54		80.54		
TOTALS:		5,610.68		80.54		5,530.14
UNIVERSAL MCCAN UNIVMC		CREDIT RATING:				
9/07/2010 30	13231 10CSF SECURITY SERVICE	462.00				462.00
1/11/2011 30	FC-0111	6.93	6.93			
TOTALS:		468.93	6.93			462.00
VALDIVIA ENTERT VALDI2		CREDIT RATING: HOLD				
6/14/2010 0	12945 XTREMO 2010	9,117.30				9,117.30
8/20/2010 30	FC-0820 MAY EVENT	136.76				136.76
9/24/2010 30	FC-0924 MAY EVENT	136.76				136.76
11/05/2010 30	FC-1105 MAY EVENT	136.76		136.76		
TOTALS:		9,527.58		136.76		9,390.82
VIRGIL H. CRAFT CRAFTVI		CREDIT RATING: HOLD				
8/07/2009 SF CE-09-4422	*	1,293.00	1,293.00			
9/15/2009 0	FC-0915	19.40				19.40
10/15/2009 0	FC-1015	19.40				19.40
11/15/2009 0	FC-1115	19.40				19.40
TOTALS:		1,351.20	1,293.00			58.20
WESTERN WINTER WESWIN		CREDIT RATING:				
1/28/2011 30	13558 NOR CAL PRE-SHOW	2,835.00	2,835.00			
TOTALS:		2,835.00	2,835.00			
ZIPZAP LLC DBA ZIPZAP		CREDIT RATING: HOLD				
8/24/2009 SF NSF-CK-1104	*	1,390.78	1,390.78			
TOTALS:		1,390.78	1,390.78			
TOTALS FOR OPS		315,238.17	89,335.43	108,471.19	8,755.30	10,383.60 34,172.00 64,120.65

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CUSTOMER	NOT YET DUE	CURRENT	OVER 30	OVER 60	OVER 90	OVER 120	
	2/23/2011	2/01/2011	1/01/2011	12/01/2010	11/01/2010	UP TO	
DATE TRM INVOICE ---PO/UDF INFORMATION---	BALANCE	AND BEYOND	2/22/2011	1/31/2011	12/31/2010	11/30/2010	10/31/2010

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----- SALESPERSON: PRO PROGRAMS

CALIFORNIA GRAP CAGRAPH		CREDIT RATING:					
1/07/2011 30	13524 DONATION	850.00	850.00				
TOTALS:		850.00	850.00				
DEPT FOOD & AG DFOOD1		CREDIT RATING:					
12/31/2010 30	13510 DEC-TJDALE SALARY REIM	2,050.53	2,050.53				
1/31/2011 30	13566 TJDALE-JAN11 SALARY	2,013.53	2,013.53				
TOTALS:		4,064.06	2,013.53	2,050.53			
DEPT WATER RES DWR		CREDIT RATING: HOLD					
12/22/2010 45	13496 THE FARM-WATER EFFICIENT	29,000.00		29,000.00			
TOTALS:		29,000.00		29,000.00			
ELANCO ANIMAL H ELANCO		CREDIT RATING:					
8/17/2010 30	13137 SPONSOR- CHAM CHA	500.00					500.00
11/05/2010 30	FC-1105 CHAMP CHA	7.50			7.50		
12/09/2010 30	FC-1209 CHAMP CHA	7.50			7.50		
1/11/2011 30	FC-0111 CHAMP CHA	7.50	7.50				
TOTALS:		522.50	7.50	7.50	7.50		500.00
ETCO MARINE ETCOMA		CREDIT RATING:					
7/21/2010 0	SOC1186	50.00					50.00
TOTALS:		50.00					50.00
GEIST CATTLE CO GEISTC		CREDIT RATING: HOLD					
10/07/2008 0	SOC-833 SOC-833	6,909.25					6,909.25
10/30/2008 0	LBC-916 LBC-916	1,000.00					1,000.00
11/17/2008 30	FC-1117	103.64					103.64
12/17/2008 30	FC-1217	118.64					118.64
1/20/2009 30	FC-0120	118.64					118.64
4/15/2009 30	FC-0415	118.64					118.64
6/16/2009 30	FC-0616	118.64					118.64
TOTALS:		8,487.45					8,487.45
GUITTARD CHOCOL GUITTA		CREDIT RATING:					
4/22/2010 SF	13267 CHOCOLATE PASSION	200.00	200.00				
TOTALS:		200.00	200.00				
KENNY & WENDY H 9HOOGE		CREDIT RATING: HOLD					
11/16/2009 0	SOC1036 SOC1036	100.00					100.00
6/10/2010 0	FC-0610	1.50					1.50
8/20/2010 30	FC-0820	1.50					1.50
9/24/2010 30	FC-0924	1.50					1.50
TOTALS:		104.50					104.50

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CUSTOMER                                NOT YET DUE  CURRENT  OVER 30  OVER 60  OVER 90  OVER 120
                                         2/23/2011  2/01/2011  1/01/2011 12/01/2010 11/01/2010  UP TO
DATE   TRM   INVOICE  ---PO/UDF INFORMATION---  BALANCE  AND BEYOND  2/22/2011  1/31/2011 12/31/2010 11/30/2010 10/31/2010
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----- SALESPERSON: PRO (CONTINUED)

KOUNTRY FEED	KOUNTF	CREDIT RATING:					
7/21/2010 0	SOC1166	2,400.00					2,400.00
9/24/2010 30	FC-0924	36.00					36.00
11/05/2010 30	FC-1105	36.00				36.00	
12/09/2010 30	FC-1209	36.00			36.00		

TOTALS:		2,508.00			36.00	36.00	2,436.00
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KRUSE, O.H.	KRUSE	CREDIT RATING:					
1/31/2010	CM-FC0924 CM-FC0924	34.50-					34.50-
1/31/2010	CM-FC1105 CM-1105	34.50-					34.50-
1/31/2010	CM-FC1209 CM-FC1209	34.50-					34.50-
9/24/2010 30	FC-0924	34.50					34.50
11/05/2010 30	FC-1105	34.50				34.50	
12/09/2010 30	FC-1209	34.50			34.50		

TOTALS:		0.00			34.50	34.50	69.00-
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MCMILLAN MONLAT MCMIJA	CREDIT RATING: HOLD						
10/07/2008 0	SOC-860 SOC-8690	100.00					100.00
11/17/2008 0	FC-1117	1.50					1.50
12/17/2008 0	FC-1217	1.50					1.50
1/20/2009 0	FC-0120	1.50					1.50

TOTALS:		104.50					104.50
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NATIONAL SPOTTE NATSSR	CREDIT RATING:						
8/17/2010 30	13123 CHAMP CHA SPONSOR	200.00					200.00
11/05/2010 SF	FC-1105	3.00	3.00				
12/09/2010 SF	FC-1209	3.00	3.00				
1/11/2011 SF	FC-0111	3.00	3.00				

TOTALS:		209.00	9.00				200.00
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SMESTADMOEN, DE SMESTA	CREDIT RATING: HOLD						
10/29/2009 0	12487 JR.LIVESTOCK	50.00					50.00

TOTALS:		50.00					50.00
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WEST STATE HORS WESTH2	CREDIT RATING:						
10/15/2010 30	13351 15505-ONE JUMP	500.00				500.00	
1/11/2011 30	FC-0111 CAVALCADE OF HORSES	7.50		7.50			

TOTALS:		507.50		7.50		500.00	
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TOTALS FOR PRO		46,657.51	2,222.53	865.00	2,128.53	29,078.00	500.00 11,863.45
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A/R Report

CALIFORNIA EXPOSITION & STATE FAIR

DANA

DETAIL AGED A/R BY CUST SLP THRU 2/22/2011

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CUST: ??????

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CUSTOMER                                NOT YET DUE  CURRENT  OVER 30  OVER 60  OVER 90  OVER 120
                                2/23/2011  2/01/2011  1/01/2011 12/01/2010 11/01/2010  UP TO
DATE   TRM   INVOICE  ---PO/UDF INFORMATION---  BALANCE  AND BEYOND 2/22/2011  1/31/2011 12/31/2010 11/30/2010 10/31/2010
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----- SALESPERSON:  RAC  RACING
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ATTACKS HIPP SHIPPI	CREDIT RATING:	
11/09/2009 0 NSF-CK-2246	2,934.94	2,934.94

TOTALS:	2,934.94	2,934.94
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CA AUTH RAC FAI CAARF	CREDIT RATING:	
10/07/2010 90 13329 JAN-JUN REIM CMC AD	3,935.82	3,935.82

TOTALS:	3,935.82	3,935.82
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CALIFORNIA EXPO SCALEX	CREDIT RATING:	
8/31/2010 30 13260 ENDAUGREC	536.74	536.74
9/30/2010 30 13346 ENDSEPREC	536.74	536.74
12/31/2010 30 13515 01022011COM5 *	97.70	97.70
1/09/2011 30 13529 100109COM1	394.65	394.65
1/18/2011 30 13535 110116COM2	352.79	352.79
1/23/2011 30 13552 110123COM23	257.79	257.79
1/30/2011 30 13576 110130COM4	239.47	239.47
1/31/2011 30 13582 ADWSAC013111 *	0.01	0.01
2/08/2011 30 13586 110206COM1	289.72	289.72
2/13/2011 30 13601 110213COM2	270.31	270.31

TOTALS:	2,975.92	799.51	1,005.23	97.70	1,073.48
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CALIFORNIA HARN CAHHA2	CREDIT RATING:	
11/01/2010 30 13383 10NOV.UTILITY	150.00	150.00
2/01/2011 30 13562 11FEB UTILITY	175.00	175.00

TOTALS:	325.00	175.00	150.00
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CALIFORNIA STAT CALSF	CREDIT RATING:	
7/18/2010 0 13056 100718COM3	2,018.87	2,018.87
7/25/2010 0 13073 100725COM4	2,160.94	2,160.94

TOTALS:	4,179.81	4,179.81
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HEADS-UP PAINTI HEADS	CREDIT RATING:	
2/16/2011 0 NSR-CK1001 NSR-CK1001	587.00	587.00

TOTALS:	587.00	587.00
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JOSEPH S. NEFSK NEFSKY	CREDIT RATING:	
12/16/2010 0 NSFR-CK116 NSFR-CK116 *	725.00	725.00
1/03/2011 0 NSR-CK119 NSR-CK119 *	375.00	375.00
1/04/2011 0 NSR-CK118 NSR-CK118	1,225.00	1,225.00

TOTALS:	2,325.00	1,600.00	725.00
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LESTER SMITH SMITHL	CREDIT RATING:	
2/08/2011 0 NSR-CK242 NSR-CK242-110208	125.00	125.00
2/16/2011 0 NSR-CK-246 NSR-CK-246	125.00	125.00

CALIFORNIA EXPOSITION & STATE FAIR

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CUSTOMER                                NOT YET DUE  CURRENT  OVER 30  OVER 60  OVER 90  OVER 120
                                         2/23/2011  2/01/2011  1/01/2011 12/01/2010 11/01/2010  UP TO
                                         AND BEYOND 2/22/2011 1/31/2011 12/31/2010 11/30/2010 10/31/2010
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DATE      TRM      INVOICE  ----PO/UDF INFORMATION----  BALANCE
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----- SALESPERSON:  RAC  (CONTINUED)
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LESTER SMITH LESTER SMITH

(CONTINUED)

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TOTALS:                                250.00          250.00
LOS ALAMITOS QU SLOSAL                CREDIT RATING:
6/04/2010 30      12905 10MAY 8/16 FUNDS      15,058.91          15,058.91
10/08/2010 30      13334 10AUG 6/12 FUNDS      9,868.05          9,868.05
10/08/2010 30      13335 10SEP 6/12 FUNDS      7,562.11          7,562.11
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TOTALS:                                32,489.07          17,430.16  15,058.91
LOS ALAMITOS QU LOSALQ                CREDIT RATING:
11/30/2010 30      13447 ADWSAC101130          1,845.31          1,845.31
11/30/2010 30      13450 ADWCH101130           33.47          33.47
11/30/2010      CM-ENDNOVREC CM-ENDNOVREC      102.96-          102.96-
12/31/2010 30      13517 01022011          1,278.18          1,278.18
12/31/2010 30      13520 ADWSAC101231          1,597.25          1,597.25
12/31/2010 30      13523 ADWCH101231           30.55          30.55
1/09/2011 30      13531 100109COM1          2,238.52          2,238.52
1/18/2011 30      13537 110116COM2          1,683.20          1,683.20
1/23/2011 30      13554 110123COM3          1,639.65          1,639.65
1/30/2011 30      13578 110130COM4          1,883.13          1,883.13
1/31/2011 30      13581 ADWCH013111           54.56          54.56
1/31/2011 30      13584 ADWSAC013111          2,164.88          2,164.88
2/08/2011 30      13588 110206COM1          1,788.46          1,788.46
2/13/2011 30      13603 110213COM2          2,035.25          2,035.25
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TOTALS:                                18,169.45  7,926.28  5,561.37  2,905.98  1,878.78  102.96-
NCOTWINC FOR GO NCOTGG                CREDIT RATING:
9/30/2010 30      13347 ENDSEPREC              74.36          74.36
12/31/2010 30      13519 ADWSAC101231      *      1,963.24          1,963.24
12/31/2010 30      13522 ADWCH101231      *      49.33          49.33
1/30/2011 30      13577 110130COM4          6,696.84          6,696.84
1/31/2011 30      13580 ADW013111          301.59          301.59
1/31/2011 30      13583 ADWSAC013111          11,967.62          11,967.62
2/08/2011 30      13587 110206COM1          7,221.61          7,221.61
2/13/2011 30      13602 110213COM2          7,244.28          7,244.28
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TOTALS:                                35,518.87  33,431.94          2,012.57          74.36
NO.CALIFORNIA O NCOTW2                CREDIT RATING:
11/02/2010 30      13406 ANNOUNCER 50% REIMBURSEM  2,018.25          2,018.25
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TOTALS:                                2,018.25          2,018.25
SCOTWINC      SCOTWI                CREDIT RATING:
1/19/2011 30      13540 DEC-PROMOTIONAL A/C          20,892.20          20,892.20
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CALIFORNIA EXPOSITION & STATE FAIR

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DETAIL AGED A/R BY CUST SLP THRU 2/22/2011 AGED BY DUE DATE Thu 2/24/2011 10:01:52 AM PAGE 11
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CUSTOMER	NOT YET DUE	CURRENT	OVER 30	OVER 60	OVER 90	OVER 120		
	2/23/2011	2/01/2011	1/01/2011	12/01/2010	11/01/2010	UP TO		
DATE TRM INVOICE	PO/UDF INFORMATION	BALANCE	AND BEYOND	2/22/2011	1/31/2011	12/31/2010	11/30/2010	10/31/2010

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----- SALESPERSON: RAC (CONTINUED)

SCOTWINC SCOTWINC C/O LOS ALAMITOS RACE COURSE (CONTINUED)

1/19/2011 30	13541 DEC-OPERATIONS A/C *	3,450.15	3,450.15					
TOTALS:		24,342.35	24,342.35					
TWIN SPIRES	5TWINS	CREDIT RATING:						
3/31/2010 0	12812 ADW RECEIVABLES *	3,080.72						3,080.72
6/04/2010 30	12909 MAY ADW RECEIVABLES *	3,113.05						3,113.05
8/18/2010 0	13117 JUNE ADW RECEIVABLES] *	1,912.03						1,912.03
9/28/2010 30	13294 AUG.ADW RECEIVABLES *	2,172.08						2,172.08
10/08/2010 30	13339 SEP-ADW RECEIVABLES *	2,505.10					2,505.10	
11/15/2010 30	13418 OCT-ADW RECEIVABLES	12,793.09				12,793.09		
1/14/2011 30	13534 DEC-ADW RECEIVABLES	54,787.34	54,787.34					
TOTALS:		80,363.41	54,787.34		12,793.09	2,505.10	10,277.88	
YOUBET.COM	5YOUBE	CREDIT RATING:						
6/04/2010 30	12908 MAY ADW RECEIVABLES *	7,663.01						7,663.01
8/18/2010 0	13116 JUNE ADW RECEIVABLES	39,716.61						39,716.61
8/18/2010 0	13119 JULY ADW RECEIVABLES	27,087.46						27,087.46
9/28/2010 30	13293 AUG.ADW RECEIVABLES *	3,042.42						3,042.42
10/08/2010 30	13338 SEP-ADW RECEIVABLES *	5,796.78					5,796.78	
11/15/2010 30	13417 OCT-ADW RECEIVABLES	40,729.48				40,729.48		
TOTALS:		124,035.76			40,729.48	5,796.78	77,509.50	
TOTALS FOR RAC		334,450.65	42,332.73	86,533.29	10,552.07	58,294.60	25,629.08	111,108.88

CALIFORNIA EXPOSITION & STATE FAIR

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DETAIL AGED A/R BY CUST SLP THRU 2/22/2011

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CUSTOMER                                NOT YET DUE  CURRENT  OVER 30   OVER 60   OVER 90   OVER 120
                                         2/23/2011 2/01/2011 1/01/2011 12/01/2010 11/01/2010 UP TO
DATE   TRM   INVOICE ----PO/UDF INFORMATION---- BALANCE  AND BEYOND 2/22/2011 1/31/2011 12/31/2010 11/30/2010 10/31/2010
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GRAND TOTALS:                          1,034,317.33 317,400.69 197,250.98 22,662.90 129,289.89 60,301.08 307,411.79
                                         30.69%    19.07%    2.19%    12.50%    5.83%    29.72%
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* = INVOICES WITH PARTIAL PAYMENTS (OR ADJUSTMENTS)

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Summary of On-going adjustments to the Fund Balance
For the year 2011.

2011 Budgeted Net Loss per Approved Budget	\$	(1,716,092)	
Adjustments:			Description
		(325,000)	Add back labor savings not realized
		(36,000)	Loss of 2 month electronic sign revenue
		(20,000)	Fire Marshall invoice
		(60,000)	Cost for Breeders Award
		40,000	Vacancy - one police officer position
		85,000	Savings on Liability Insurance
		60,521	PERS savings (Jan-Jun) for change in employer contribution rate
		25,000	CFSa reimbursement of Amy Coleman-Casias payroll/benefits
		15,000	Decrease in Harness Racing advertising
		73,000	Vacancy-one position IT dept
		(12,000)	Part-time IT support 12 weeks @ \$25/hr
		104,518	Fair duration shortened by 1 day
		(21,600)	Reduction in State Fair racing revenue for 1 day
		(25,000)	Deductible reserve for likely insurance claim
		(18,000)	Front Desk coverage
		60,000	Capital outlay - roof repair done in 2010
		48,151	Vacancy- Electrician retirement
		(12,000)	Event Services temp help due to Full time Staff retirement
		(70,000)	Dept of General Services Asset Management fees for vehicles
		(10,000)	Part-time Guest Services supervisor
		(10,000)	Employment claims investigation
		(100,000)	Events cancelling and/or decreasing their rent
		(57,275)	Vacation pay-outs due to separation and retirement
		386,587	1% Reduction and elimination of Grape & Gourmet event
		(85,000)	Revenue- Elimination of Grape & Gourmet event
Adjusted Net Loss	\$	(1,680,190)	
2011 Budgeted Net Loss per Approved Budget		(1,716,092)	
Net impact of adjustments	\$	35,902	